

Indiana House of Representatives

News and Information

*Media Office
Democratic Caucus
John Schorg, Director
Statehouse, Room 157
Indianapolis, Indiana 46204
1-800-382-9842 or 1-317-232-9621
Fax Number: 1-317-232-9792*

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STILWELL BILL SEEKS PROOF THAT PRIVATIZATION WILL WORK

INDIANAPOLIS – If privatization of government services will save money for Hoosier taxpayers, then State Rep. Russ Stilwell (D-Boonville) wants to see the proof before turning hospitals, parks and roads over to companies from outside Indiana.

To that end, Stilwell has filed legislation for consideration in the 2006 session of the Indiana General Assembly that would require the state to conduct a cost benefit analysis on any proposed contract designed to transfer taxpayer-funded services to the private sector. The Indiana Department of Administration then would publish a report of all such analyses two times a year to ensure the agreements receive full public scrutiny.

"I readily admit that House Bill 1079 is inspired by the Daniels Administration's announced intentions to privatize many state services, such as the Indiana Toll Road, hospitals, parks, prisons and even social programs like Temporary Assistance to Needy Families," Stilwell said. "There also has been discussion that private concerns will build and operate the proposed Interstate 69 extension in southern Indiana.

"In all of these instances, we are being told that privatization will lead to huge savings for Indiana taxpayers without any kind of documentation to back it up," he added. "In other states, there has been ample proof that privatizing programs and services has put people out of work and channeled millions of dollars into the pockets of companies from outside our country."

With his bill, Stilwell said he is simply asking that the administration provides concrete proof for its claims. While state law already requires completion of cost effectiveness studies, Stilwell said that provision is rarely used by officials.

"A cost benefit analysis means a comprehensive study to identify and compare the total cost, quality, technical expertise and timeliness of a service provided by a state worker, as opposed to an employee provided by a private company," Stilwell said. "It is the most effective means of demonstrating that there will be massive savings if we go to privatization. I also want to make sure that these analyses are available for public inspection, so state government's words are matched by its actions.

"Through my legislation, we will be able to provide graphic proof that privatization is the cure for what ails us, or whether it just adds to the pain being inflicted on the people of Indiana," he concluded.

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This news release can be accessed on the Internet at www.IN.gov/H74